

# **Section-by-Section Summary of the Multiple Peril Insurance Act**

## **Section 1. Short Title**

“Multiple Peril Insurance Act of 2007”

## **Section 2. Flood and Windstorm Multi-peril Coverage**

- Adds a new program to the National Flood Insurance Program to enable the purchase of insurance covering losses resulting from flood and/or windstorm;
- Multi-peril coverage is available only where the local government has adopted standards designed to reduce windstorm damages; (Flood standards already required by NFIP)
- No duplicate coverage with multi-peril coverage and NFIP flood coverage;
- Multi-peril policy covers damage from flooding and/or windstorm without requirement to distinguish flood damage from wind damage;
- Premiums must be based on risks according to accepted actuarial principles;
- The Director shall issue regulations setting the terms and conditions of coverage;
- Aggregate policy limits are as follows:
  - Residential Structures - \$500,000 for single-family dwelling; \$500,000 per dwelling unit for structures with more than one unit; \$150,000 per unit for combination of contents and increased living expenses for loss of use;
  - Nonresidential Structures - \$1,000,000 for structure; \$750,000 for combination of contents and business interruption coverage.

## **Section 3. Prohibition Against Duplicate Coverage**

Adds the prohibition against duplicate coverage to the existing flood program.

## **Section 4. Compliance with State and Local Law**

No new coverage for any property that is in violation of local building and zoning requirements designed to reduce windstorm damages.

## **Section 5. Criteria for Land Management and Use**

The Director shall carry out studies to determine the appropriate standards for windstorm damage prevention, and establish criteria based on those standards.

## **Section 6. Definitions**

Windstorm is defined as any hurricane, tornado, cyclone, typhoon, or other wind event.